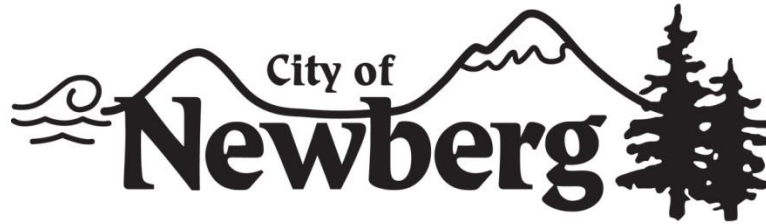


Release Date: September 9, 2015



Notice of Funding Availability Newberg Affordable Housing Trust Fund Fiscal Year 2015 - 2016

This Notice of Funding Availability (NOFA) is directed to organizations (non-profit and for-profit) and individuals that provide affordable housing and/or related services within the City of Newberg. The goal of this NOFA is to inform the intended audience of the availability of funds to assist with activities that will assist with the creation/acquisition of new affordable housing or the maintenance of existing affordable housing inventory within the community.

Funding Availability by Program

Funding of up to \$25,000 is available for the fiscal year ending June 30, 2016 for the following programs:

Competitive Loan Program: At least \$12,500 is available for this program. This program provides loans for projects that create, acquire, or retain affordable housing in the city.

Rental Rehabilitation Loan Program: Up to \$12,500 is available for this program. This program provides loans to landlords so they can rehabilitate dwellings and make them safe and decent for rental to low or very low income families. Loans are available in amounts ranging between \$5,000 and \$15,000, and may be increased up to \$25,000 if recommended by the Newberg Affordable Housing Commission (NAHC) and approved by the City Council. The standard loan term is five years. The standard interest rate is 2% below prime rate. Applicants seeking funding assistance must be willing to enter into a contractual agreement with the city to ensure the future affordability of the project units for a specific period of time. Applications will be accepted at any time during the fiscal year.

Time Sensitive Loan Program: Up to \$12,500 is available for this program. This program offers loans for projects that create, acquire, or retain affordable housing in the community that

have particular needs that are opportunity driven and time sensitive. The standard loan term is two years. The standard interest rate is 2% below prime rate. Security shall be demonstrated based upon 80% loan to value ratio based on the most current County Assessor records. These funds are available on a first come/first served basis, subject to approval.

Deadlines:

For the first application cycle deadline of December 15, 2015, the NAHC will consider awarding loan awards totaling up to \$25,000 (\$12,500 for the Competitive Loan Program, and \$12,500 for the Time Sensitive Loan Program and Rental Rehabilitation Loan Program combined.

If funds remain following the first application cycle, or if the NAHTF fund is replenished, the City of Newberg may consider solicitation of a second round of loan funds prior to the end of the fiscal year.

What is the Newberg Affordable Housing Trust Fund (NAHTF)?

The NAHTF is a financial resource intended to support the development, preservation, and rehabilitation of affordable housing that is affordable to the citizens of Newberg. The primary purpose of the NAHTF is to encourage the development, preservation, and rehabilitation of housing for homeownership or rent, at a cost that will enable very low, low and moderate-income families to afford quality housing while paying no more than thirty percent of gross household income on housing. To promote the rehabilitation, preservation and production of quality, well-designed rental and ownership housing, the NAHTF will award funds to community development partners that are furthering the NAHTF mission. It is expected that the local contributions made through Newberg's Affordable Housing Trust Fund will maximize the leveraging of state and federal funds, as well as encourage private sector investment in affordable housing.

The City of Newberg defines affordable housing as residential housing primarily for households or persons earning less than 80% of the median area income (MHI) and where housing and/or rental costs do not constitute more than 30% of a household's income. MHI shall be established by the most current U.S. Department of Housing and Urban Development Department data for Yamhill County, Oregon as determined by the Community Development Director in the year of application submission.

What are the eligibility requirements?

*FOR 2015, the Median Household Income for the City of Newberg was \$59,528.

DEFINITIONS:

“Gross Income” (AGI) is income before taxes for all members of one family in the previous

twelve months. Income can be derived from salaries, investments, self-employment, farming, and other sources. Assets such as a house or a farm are not income. For people who have wages, gross income means the figure that they would have received in their paychecks if there were no taxes. Gross income before taxes when applied to farm income means the figure that results when farm expenses are subtracted from farm sales. Gross income also includes unemployment and disability compensation, worker's compensation and severance pay; and welfare assistance payments.

“Family” means all persons living in the same household who are related by birth, marriage or adoption.

“Median Household Income” (MHI) includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Because many households consist of only one person, average household income is usually less than average family income. Although the household income statistics cover the past 12 months, the characteristics of individuals and the composition of households refer to the time of application. Thus, the income of the household does not include amounts received by individuals who were members of the household during all or part of the past 12 months if these individuals no longer resided in the household at the time of application. Similarly, income amounts reported by individuals who did not reside in the household during the past 12 months but who were members of the household at the time of application are included. However, the composition of most households was the same during the past 12 months as at the time of application, as defined by the U.S. Census.

How was the NAHTF created?

The creation of a NAHTF was a proposal identified in the Newberg Affordable Housing Action Plan. This Plan was created by an ad-hoc committee created by the Newberg City Council, which consisted of from a wide range in interests in community interested in the development and preservation of affordable housing. The Plan was adopted by Council via Resolution No. 2009-2843. A subsequent Newberg Affordable Housing Action Committee was appointed by the City Council to further develop the action items listed in the Plan, including the creation of an affordable housing trust fund. The Committee created a multiple documents for consideration of adoption by the Council. In 2012, the Council adopted Ordinance No. 2012-2749, establishing the NAHTF as well as Resolution No. 2012-2988, establishing the policies and procedures for the administration of the NAHTF which later amended by Resolution No. 2015-3202 and Resolution No. 2015-3211.

Who can access funding from the NAHTF?

Eligible recipients of resources from the NAHTF are organizations with interests in developing and/or preserving affordable housing in Newberg. Potential recipients include governmental subdivisions, community development corporations, local housing authorities, community action

agencies, community-based or neighborhood-based non-profit housing organizations, other non-profit organizations, for-profit entities and private employers, and private landlords.

What types of projects qualify for funding under the NAHTF?

The Newberg Affordable Housing Trust Funds can be provided as either a grant or a loan depending on the project or program receiving funding.

To retain a significant degree of flexibility, the eligible uses have a broad application including the following:

Acquisition and construction of new affordable housing. Eligible acquisition and construction costs include reasonable costs associated with building or land purchase, including but not limited to:

- Purchase price
- Option costs
- Financing fees including but not limited to the recording of trust deeds and promissory notes, title searches, and other third party costs related to securing the loan.
- Appraisal costs
- Closing costs
- Inspection fees
- Title insurance
- Relocation costs
- Architectural/engineering fees
- Permit fees
- System development charges
- Construction costs

Conservation of energy through the use of “green” technologies provided that the benefits of the energy savings is passed on in the form of reduced costs to the qualified occupants of the affordable housing.

Land banking to include the purchase of land to be dedicated toward the development of affordable housing in the near or long-term.

Predevelopment activities undertaken by a community development organization in support of the development of affordable housing including planning, architectural services, engineering services, landscape design, legal services, surveys, appraisals, site clearance and demolition, environmental clearance, permit application fees and system development charges. Grant funding for these types of activities may be required to convert to a loan if the project receives full funding. For-profit developers are not eligible to apply for Newberg’s Affordable Housing Trust Funds to assist with predevelopment costs.

Bridge loans to assist in development of affordable housing (for rental or owner occupancy). Bridge loans are intended to provide funding to permit housing projects to proceed in advance of

the availability of permanent project funding. Bridge loan funding is available for acquisition or construction activities.

Capacity building for non-profit affordable housing providers in the form of direct grant awards to fund administration of an affordable housing project or program.

Rehabilitation and emergency repairs as part of an established program to secure units as affordable or to provide direct benefits to existing very low to moderate income households. Eligible rehabilitation and emergency repair costs include but are not limited to:

- Architectural/engineering fees
- Consultations
- Construction costs
- Relocation costs
- Financing fees including but not limited to the recording of trust deeds and promissory notes, title searches, and other third party costs related to securing the loan.
- Hazardous materials abatement including lead based paint noticing consistent with the Federal Lead Safe Housing Regulations HUD requirements at 24 CFR §35

Rehabilitation loans to the owners of owner-occupied dwellings are not eligible uses of the NAHTF.

Direct benefits to very low to moderate income households through an established program including down payment assistance, rental assistance, mortgage foreclosure prevention, emergency housing vouchers, homeownership training, renter education, or other programs intended to increase housing opportunities for Newberg's low to moderate income residents.

Transitional and emergency housing for homeless individuals and families through an established program to move people toward self-sufficiency.

Educational programs and services for potential home owners and renters.

Other uses as deemed appropriate by the Newberg City Council as supporting the development or preservation of affordable housing within the City of Newberg.

How does one apply for funding under NAHTF?

The application form for funding under the NAHTF can be found at <https://www.newbergoregon.gov/planning/page/affordable-housing-loans-available-2014-2015> , or may be picked up at the Newberg City Hall at 414 E. First Street.

Who do I contact with questions about the NAHTF?

For questions about the NAHTF, please contact Doug Rux at 503-537-1212 or at Doug.Rux@newbergoregon.gov, P.O. Box 970 Newberg, OR 97132